

## CORRUPTION: AN IMPEDIMENT FOR ENTREPRENEURSHIP EDUCATION IN NIGERIA

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### ABSTRACT

The paper examined the trend of corruption in Nigeria and how it affected economic growth and development. It focused on the consequences of corruption and how it has became deeply rooted in the fabric of society and conspicuously manifested in the materialistic quest and deposition of the people. Despite the effort of the government to fight corruption through the establishment of various anti-corruption commission such as the independent corrupt practices commission (ICPC) and Economic and Financial crimes commission (EFCC). Corruption seems to be on the increase as a result of this economic development has became quite difficult or even impossible as every sector of the economic is infected by the syndrome. This paper observed that corruption has made entrepreneurship empowerment efforts ineffective thereby leading to high levels of unemployment and poverty. This paper thus recommended attitudinal change. There must be a reversal in the prevailing culture in a corruption is viewed as permissible and corrupt official are glorified.

**KEYWORDS:** Corruption, ICPC, EFCC

### INTRODUCTION

Corruption is a social problem that has negatively affected all sectors of the economy and has constituted an impediment to development and progress in Nigerian. The magnitude of this problem has caused decay and hardship within the social system, slowed investment, stagnation in social and economic development, it have also created a sense of dishonesty and distrust in the entire institutions that build up a society called Nigeria.

The effects of corruption is felt everywhere and it affect people individually it manifest in slow movement of files in offices, police extortion, slow traffic on the high ways, ghost workers syndrome, extortion in academics as result of this, grades are awarded wrongly. Even the mad people on the street are affected by havoc caused by corruption because the funds located for these programs are diverted by few people. The health sector is not left behind corruption has crippled the health system in Nigeria. Corruption cut across faiths, religious dominations and political system and affects but young and old. Thus corruption has been visible in complex societies from ancient Egypt, Israel, Rome and Greece down to the present (Lipset & Lenz, 2000). The depth of corruption varies from country to country. Some countries are more corrupt than others. For many years, the rating of transparency international an independent organization assessing the level of corruption in countries of the world has been showing Nigeria among the first three most corrupt nations. Transparency international (2007).

The concept of corruption has been defined variably by many organizations and scholars. Ladipo (2000) sees corruption as the wrong use of office for unofficial benefit s. according to Ladipo, the act of corruption is not limited to bribery but also include extortion, nepotism, and fraud. Transparency international (1999) and the World Bank (1997)

viewed corruption as the use of public office for private gain. (Michael & James, 1991) describe corruption as an act of evil or wrong doing for the purpose of money making. Jacob and kalvaren (1954) define corruption as the exploitation of the public he interestingly portrayed the public official as an economic subject whose interest is to maximize his gain or income.

### **Concept of Entrepreneurship Education and Economic Development**

The emergence of entrepreneurship as a concept of attacks different meaning and feelings. Some of the proponents feel that entrepreneurship is as good starting a business or an enterprise (Shane 2000). To some authors, it is starting a business with assumptions of associated risks. Stones et al(1995) noted that entrepreneurship is the practices of taking idea and inventing organization, an enterprise for the development of the idea. According to Ogbemudia (20006), entrepreneur is the “one who assumes the risks of organization and managing a business with the hope of making a profit”.

Rwigema and Venter (2004) view entrepreneurship as the “process of conceptualizing, organizing, launching and through innovation nurturing a business opportunity into a potentially high growth venture in a complete, unstable environment”. These definitions of entrepreneurship imply that to be an entrepreneur one need to have a support in terms of capital and also a necessary condition if the prospective entrepreneur is to succeed in the management of his business enterprise. In the light of this view, entrepreneurship educations become necessary as a means of entrepreneurship competence.

Education according to Abioye (2002) is concerned with those activities and experiences that are essential for successful living. Education according to balogun et al (1986) in dogo (2002) is the “passing of ideas, knowledge, skills, attitudes, beliefs and feelings to someone with the aim to bring about a particular change in the person”. Entrepreneurship education in this direction implies an acquisition of skills and talents that can bring about an improved condition in the living standard of the individual in the world of business. The process of passing on these ideas involves methods and technique that can ensure permanent change in the behavior of the person. From this point of view, entrepreneurship education refers to the process of changing or transforming the talents, skills, values, knowledge an individual is endowed with into more practical and functional abilities that can be used to nature and develop an enterprise.

Education as part of the “social climate” needs to be qualitative and purposeful. As the society advances in compxity the functionality of entrepreneurship education is an important factor in the development process of any society. A society that progress in entrepreneurship education stands a better chance to fighting poverty through job creation and self-reliance. As pointed out by iguisi (20008) in sani (2009) posit that large firms have been downsizing employment in other to maintain competitiveness. By contrast, it has been the small businesses that have created more jobs worldwide. (davis Haitwanger and Schhuh, 1996a and 1996b) in sani (2009) argued that between 1976 and 1986, micro entrepreneurship through small business have created 1,3 million jobs in the united state of American (U.S.A) while the number of large manufacturing jobs actually decreased by 100,000. In his finding Bias et al (1997) in Sani (2009) reported that there were 768,000jobs lost in the Netherlands between 1990 and 1994, yet unemployment did not increase because 973,000 new jobs were created by the existing and new small business in the ratio of 44 percent and 56 percent respectively. Study conducted by Gwambeka, (2009) reported that entrepreneurship through capacity building had recorded a positive result in the creation jobs in the rural area of Yobe state.

The finding revealed the 69.2 percent of the population was self employ after receiving training in skills development. The study also show significant increase in the income levels of the population because of the shift from subsistence agriculture which the National Bureau for Statistics (NBS 2001) reported has highest incidence of poverty compare to education. According to Kurfi (1997) in Kurfi (2009) observed that entrepreneurship in Nigeria can play a very significant role in the economic growth and development of the country as in other countries of the world. Entrepreneurship was use by other countries as a strategy for employment generation, poverty reduction, and economic growth. These countries according to Sani, (2009) include united state of American (USA) in the 1980s, Hongkong, Singapore, Taiwan and South Korea, rising from poverty to riches. Wilson, Kickul and Marlino (2001) IN Dandago and Andow, (2010) pointed out that between 1997 and 2004, employment in women-owned business increased by 39 percent compared to 12 percent nationally, and revenues rose by 46 percent compared 34 percent among all privately held united state of American (USA) business. It should however be observed from this review that public sector employment everywhere in the world offers an insignificant solution to the overall problem of unemployment. It is the formal and informal private sectors, which provide solution to the problem of unemployment and poverty reduction. Umar (2009) observed that over 20 million American worked in home-based business and that self-employment rate is growing over 20 percent annually. Also in a study on immigrant, entrepreneurship in united state of American (USA) business. Camarota (2000) discovers that groups that have the highest income is the self employed individuals. It is in view of this advantages that make both individuals and government to appreciate and embrace the idea and principles for entrepreneurship development. In order to improve income levels of Nigeria and the need to reduce poverty, government have introduces several programmers aimed at providing people graduates from our tertiary institutions who are not employed and are lying idle. Bamkole (2007) revealed that at least 60 percent of graduates in Nigeria are not able to get employment immediately. This striking enigma made the government to have a rethink and restructure the educational curriculum to include entrepreneurship education. The idea behind this step is to spur innovative and creative abilities of youth in tertiary institution towards self-employment. Yamere (2009) observed that at lower level, the focus of the programmed should be on understanding the basic skills in order to be successful in market economy. Similar emphasis has been put forward by some government through the establishment of skills development and acquisition centers. Obasanjo (2005) was determined to move Nigeria to become one of the world's top 20 economics by 2020 and he included entrepreneurship as one the priority issues of his administration. In this direction the National Economic Empowerment and Development Strategy (NEEDS) was introduce. Central bank of Nigeria (CBN,2005) observed that the success of NEEDS rest on three, pillars: empowering our people, creating an environment that enables us to make the most of our natural resources and flair from business and reforming our laws and way our government works. The tasks for the provision of employment to youth have been the concern of most governments. The Babangida administration also witnessed similar programmers that were directed towards youth empowerment through skills acquisition. The National Directorate Empowerment (NDE) was introduced to improve the income levels of the youths through the provision of training on different fields of economic endeavors. Obodachi, (2000) noted that the National Directorate for employment was allocated over N85 million for skills acquisition and as loans to the trainees.

### **The National Poverty Eradication Programme**

(NAPEP) was establish in 2001 to address the challenged of unemployment in Nigeria and poverty reduction by the year 2010 in line with United State Nation Millennium Development (MDGs). The programmed was design to

empower the youth by means of providing training opportunities, skills acquisition, employment opportunities, and wealth creation through enhanced income generation. NAPEP was given a take-off grant of N6 billion and to be used in establishing NAPEP structures in 36 states. Part of the money was also used in the NAPEP employment generation intervention, which leads to the training of 100,000 youths, training over 5000 people in tailoring and fashion design by attaching 50,000 unemployment graduates to various training centers for the acquisition of skills (CBN 2005). It is believed that provision of skills in public and private sectors of the society will translate to entrepreneurship development and self reliance, in a state of high level of unemployment situation like Nigeria, entrepreneurship development can serve as a solution and a more realistic option to development. Entrepreneurship programmed are being introduced in most Nigerian institutions, intended to increase human capacity for national development.

Navilyn, (1995) in Alumonah, (2010) noted that “our country’s economic growth will hinge on our ability to create new jobs through entrepreneurship and that successful entrepreneurship in turn, will require well trained aspiring entrepreneurs willing to take the helm of ventures creation”. It is in this direction that, our Nigerian educational institutions deemed it necessary to embrace the teaching of entrepreneurship. This will make our students ready to face the challenge of creating their own jobs rather than seeking for jobs after graduation. To achieve this objective the educational sector needs to be sanitized and directed towards self-reliance as against the colonial type of education, which was designed to serve the purpose of the missionaries who were interested in creating a class of interpreters, clerks and preachers to satisfy their interest (Bulus, 2010).

The current reforms in the educational system are meant to enhance vocational and technical education to create employment for people by encouraging educational entrepreneurship (Bulus, 2010). The European commission (2007) in Bulus (2010) defined entrepreneurship education as individual’s ability to turn idea into action. This includes creativity, innovation and risks taking as well as the ability to plan and manage projects in order to achieve objectives. To achieve this, the society needs qualified and capable technical teachers that can impart the technical knowledge to the students.

## Theoretical Framework

All over the world the problem facing developing countries have been the major concern of the developed Nation. It is in this regard that, African leaders, their western counterparts and international agencies adopted various forms of strategies and plans aimed at solving the development cries facing Nation.

### Dependency Theory

This theory was developed from the works of Karl Marx and expanded by scholars such as Emmanuel, Baran, Roden, Frank and Amin. The dependency theory stated that the dependence of less developed countries (LDCs) on developed countries (DCs) is the main cause of lack of development of the former. It focuses on the center-periphery relationship whereby dependence of the periphery on the center has resulted in the poor development of the periphery of the periphery (Hingan, 2007).

### The False Paradigm Model

This model provides a less radical approach to development. It attributes the absence of development in LDCs to faulty and inappropriate advice provided by well meaning but often uninformed, biased and ethnocentric international “expert” advisers from developed countries and multinational donor organization, Dogon-Daji (2010). These experts

usually offer sophisticated concepts, ambitious theories and complex econometric models of development, which mostly appear inappropriate and irrelevant to the situation in LDCs Dogon-Daji (2010).

The dependency theory in relation to the topic suggest that the inability of the government to projects will reflect on the cultures and values of the people which are the major constraints to development. Policies that were sought from western developed economics have been contributing immensely to the development of the country. Indeed, policies are not to be imposed upon people. The failure of the Structural Development Programme (SAP) to revamp the Nigeria economy can be associated with the fact that it was an imported policy which was designed to suit the interest of the west and their domestic agents. Nigeria has highly in needed of capital for the development of project and thus dependent on the west who dictates almost everything. Over the years Nigeria has been busy implementing western induced policies and the little domestic policies such as the National Directorates for Employment (NDE), Family Economic Advancement Programme (FEAP), National Economic Empowerment and Development Strategy (NEEDS), could not be successfully implemented and internally financed largely owing to large scale corruption in the country. Also loans borrowed from the developed societies to finance poverty reduction programmes are diverted by the few.

### **Effects of Corruption on Entrepreneurship and Economic Development of Nigeria**

Corruption is a deadly venom that when released it affects and destroy every sector of the economy. Unfortunately, in Nigeria corruption has become pervasive and seems to defy all solutions. The efforts of the government to fight unemployment have become a vain exercise because of corruption. Obadan (2004) opines that corruption in Nigeria undermined democratic institutions, retards economic development and contributes to government instability in policies and programmes aimed at creating employment through self-reliance were introduced and back up with finances but unemployment seems to be on the increase. The National Directorate of Employment (NDE) was introduced by the Babagida administration to provide skills to youths with a view of creating a sense of entrepreneurship among our youths but the programme failed to achieve its desired objectives. The NDE was engulfed in serious corruption as loans meant for the trainees of the programme were diverted by directors using family names as beneficiaries of the loans (Maidugu, 2002). Other related programmes include Family Economic Advancement Programme, Family Support Programme, the Directorate for Roads and Rural Infrastructure (DFRRI) which was to empower the mass economically through self employment. Gambo (2000) noted that projects which were claimed to have been executed by contractors were not actually completed and in most cases the projects were substandard. Corruption is also noted in the educational sector, allocation to education revolved around 5, 6, 7 and 8npercents of the total government expenditure. As observed by Rano (2001) allocation to educational sector over the years have never for once moved close to the UNESCOs minimum of 25% of the total budget expenditure. Poor funding has been a major problem in the educational industry in Nigeria and this has led to the falling standard of education as qualified lecturers are moving out of the University system.

The efforts of government to create employment through vocational education have been disturbed by corruption. Vocational and technical education is a form of education, which is believed, could encourage entrepreneurship. It is worthy of note to say that entrepreneurship education can only be achieved when there are qualified and capable technical teachers that can impart the technical knowledge to the students (Bulus, 2010). On this note, it can be observed that corruption has led to poor funding of the educational sector and poor funding has led to near absence of facilities, this in turn led to the production of half baked university graduates and this accounted for the increase level of

unemployment in the country.

Corruption has been confirmed in the power sector by Economic and Financial Crimes Commission (EFCC) and National Bureau of Statistics (NBS). They claimed that police, Power Holding Company of Nigeria (PHCN) and the Nigerian customs services are still leading the corruption list. (Elombah, 2010) in Abubakar and Ado, (2010). Lack of adequate electricity propels the non-functioning of our domestic industries leading to low productivity and serious unemployment in the country. The Manufacturers Association of Nigeria (MAN) claims that 65 percent of its members are dwindling; over 15 percent have closed down due to poor electric supply rendering large number of workers unemployed (Nweze, 2010). Lack of adequate electricity negatively affects almost all small and medium scale industries, these includes welders, barbers, business centres, refrigerators/air conditioners, technicians, shoe-makers, laundry workers, etc. corruption led to high cost of living and raise the prices of goods and services, for example MTN claimed that the reason for the high tariff being charged for their services is as a result of poor power supply in the country. They claimed to have spent about N6 billion on diesels for their generators in 2007 (Chudi, 2009).

## CONCLUSIONS

Corruption has negative impact on all sectors of the economy. Corruption reduces public spending on social services like education, health, power sector etc. the result of corruption is increases in poverty, illiteracy, poor social services and low living standard among the majority of the people.

## RECOMMENDATIONS

From the forgoing discussion, one realizes that Nigeria inability to attain economic development is as a result of corruption, dependency syndrome among others. The paper recommend for genuine indigenous attitudinal and institutional reforms aimed at promoting economic development.

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